

VIRGINIA DEPARTMENT OF MINES, MINERALS AND ENERGY

VIRGINIA GAS AND OIL BOARD HEARING

Tuesday, July 16, 2013

Lebanon, Virginia

BOARD MEMBERS:

William Harris – Public Member

Donald Ratliff, Coal Industry Representative

Mary Quillen – Public Member

Rita Surratt – Public Member

APPEARANCES:

Bradley Lambert – Chairman of the Virginia Gas & Oil Board

Rick Cooper – Director of the Division of Gas & Oil and Principal Executive to the Staff of the Board

Sharon Pigeon – Senior Assistant Attorney General

Diane Davis – Staff Member of the Division of Gas & Oil

Sarah Gilmer – Staff Member of the Division of Gas & Oil

Agenda Items

<u>Item Number</u>		<u>Docket Number</u>	<u>Unit/Well</u>	<u>Page</u>
1	Public Comments			3
2	Quarterly Report from First Bank & Trust Company			6
13	Withdrawn	13-0521-4013	900108	12
14	Approved	13-0618-4016	V-530346	12
15	Approved	13-0716-4017	900120	16
16	Approved	13-0716-4018	900140	19
8	Continued	02-1217-1109-06	VC-502832	32
9	Continued	02-1217-1109-07	VC-502832	32
10	Continued	02-1217-1109-04	VC-502832	32
11	Continued	02-1217-1109-05	VC-503832	32
3	Approved	94-1024-0476-03	Unit T16	32
4	Withdrawn	03-0318-1131-01	Unit FF31	36
5	Approved	00-1017-0829-01	Unit EE28	37
6	Approved	90-0905-0014-02	Unit X10	42
7	Approved	91-0430-0116-07	Unit AA9	47
12	Approved	13-0618-4014	Unit A33	50
	Update from the Staff			58
17	Review of May 2013 Minutes			59

1 **Bradley Lambert:** Ladies and Gentlemen if you will take your seats, it is time to start our
2 proceedings this morning. At this time, I would like to ask everyone that has communication
3 devices, cell phones or pagers to please turn those off or put them on vibrate. We will be
4 recording these proceedings and we need to be able to hear and not have those interruptions. If
5 you do need to take a call, I ask you to please do so out in the hall. We will begin our
6 proceedings this morning by asking the Board Members to please introduce themselves and I
7 will begin with Ms. Surratt.

8 **Rita Surratt:** I'm Rita Surratt and I'm a public member from Dickenson County.

9 **Bradley Lambert:** And my name is Butch Lambert, I'm the Deputy Director for the
10 Department of Mines, Minerals and Energy and also Chairman of the Board.

11 **Donald Ratliff:** I'm Donnie Ratliff from Wise County representing coal.

12 **William Harris:** I'm Bill Harris from Wise County, a public member.

13 **Mary Quillen:** Mary Quillen public member.

14 **Bradley Lambert:** Thank you ladies and gentlemen. At this time we will enter into public
15 comment period. I will ask those folks that will be commenting to keep your comments short.
16 We do have an agenda we need to get through this morning. First on the list is Martha
17 Guilliams.

18 **Public Comments**

19 **Martha Guilliams:** Thank you Mr. Chairman.

20 **Bradley Lambert:** Ms. Guilliams will you move up to the microphone please and state your
21 name for the record?

22 **Martha Guilliams:** I'm Martha Guilliams from Salem, Virginia, an heir to the Linkous Horn
23 estate.

24 **Bradley Lambert:** Good morning.

25 **Martha Guilliams:** Morning. Mr. Chairman, Board Members, thank you for allowing me to
26 speak. We seem to have a miscommunication on something. I have spoke with my attorney. I
27 am supposed to ask the question here. This is a fact finding hearing and I can understand the
28 questions that I need answers to, to be submitted like 30 days in advance and all of this, but this
29 business of when we have issues that we are only allowed to speak like 3 minutes or 5 minutes.
30 Where do we find the rules on that?

31 **Bradley Lambert:** Ms. Guilliams, this is not a public comment period. This is, these are formal
32 hearing settings and that is what this Board has offered the time for the public to speak.

1 **Martha Guilliams**: Yes sir I understand that, but it is also a fact finding hearing between the
2 gas companies, the energy companies, and the landowners and the gas owners.

3 **Bradley Lambert**: No ma'am this is not a fact finding hearing. Those are the hearings that are
4 held before a informal fact finding hearings are held before our division Director. This is not an
5 informal fact finding hearing.

6 **Martha Guilliams**: So we are not here to get answers from the Board and from you?

7 **Bradley Lambert**: No ma'am. If you have questions or comments or concerns about a
8 particular case that comes before the Board, you are more than welcome at that time to appear
9 when that case is being heard and provide comments or provide testimony as for that particular
10 item.

11 **Martha Guilliams**: Well yes sir, I do have plenty questions and comments but I don't think
12 most of my questions can be answered in three minutes, or could be given to you in three
13 minutes.

14 **Bradley Lambert**: But this Board is not here to answer your questions except unless you have a
15 particular question about a docket item that we are here to hear, then you can come forward at
16 that time and speak on those particular cases.

17 **Martha Guilliams**: Then would it be possible to ask for a definition of why the Board is here?
18 Why I come here to address the Board?

19 **Bradley Lambert**: I am not sure I understand your question.

20 **Martha Guilliams**: What is the purpose of having the Board members here? That I come here
21 and address them when I get these packages from CNX gas that they want permits and to drill on
22 these sites.

23 **Bradley Lambert**: You can come before the Board when you receive that package on that
24 particular item for to drill a well. You are more than welcome to come at that time when that
25 case is called and provide any comments and testimony that may be relevant to that particular
26 item.

27 **Martha Guilliams**: I understand that, but I am, I thought the Board was here to be neutral
28 between the landowner and the gas, the energy company. I thought they were here for to give
29 answers to both sides and you know like.....I'm not sure that I understand, I really thought
30 that we had public members to protect us. There is someone to protect the coal, the gas. I am
31 just asking that what is like, when I make an objection and it is overruled and the permits are
32 granted, I just want to know what do I have to do to take it to the next level to make sure that
33 they don't get the permits when I'm objecting to them?

1 **Bradley Lambert:** Yes ma'am you have legal rights through the informal fact finding process
2 but that is done through our Division of Gas and Oil. That process of objecting to the permit,
3 there is an avenue to do that but that is not what this Board is here to do.

4 **Martha Guilliams:** I think, I do not have the exact date, I know we had a proposal to issue
5 checks from the escrow for two members, two family members, and the facts were not right with
6 CNX gas. You gave them until June to correct the issue, but there was no meeting in June but
7 those checks have been paid to these two family members. We don't know if they were
8 corrected or what because it was not brought back to the Board.

9 **Bradley Lambert:** We will have to follow up with Mr. Cooper on that and see if that did take
10 place. I will ask Mr. Cooper to check into that.

11 **Martha Guilliams:** Okay. Well thank you very much for allowing me to speak, but this does
12 seem to be a real....it's just...it's it's a real lack of I don't know level playing field I guess.
13 Because I do feel there should be someone here to protect the people. We're not we're not quite
14 on the same ground as the energy companies. They have lawyers here to represent them. But
15 there should be someone here to look after the interest of the people.

16 **Bradley Lambert:** Thank you Ms. Guilliams.

17 **Martha Guilliams:** Thank you very much Mr. Chairman.

18 **Bradley Lambert:** Next on the list I have Valeria Castle.

19 **Valeria Castle:** Good morning Mr. Chairman, staff. Um, I have a few questions, I'm from
20 Russell....

21 **Bradley Lambert:** Ms. Castle will you please state your name for the record?

22 **Valeria Castle:** Valeria Castle.

23 **Bradley Lambert:** Thank you.

24 **Valeria Castle:** And I am from Russell County, Castlewood, Virginia. Um, I have a few
25 questions, and statements. Today I would like to urge ah Ken Cuccinelli's office, Attorney
26 General's office to come clean about his role in directly assisting ah two out of state um gas
27 companies. One which is owned by a company, ah that is given over \$110,000 to his campaign,
28 and we want to know why that is happening and we want to protect our constituents here not
29 corporations and we would like to get that answer.

30 **Bradley Lambert:** This Board can't answer that question. We don't...

31 **Valeria Castle:** Do you have any idea when he could come forward or....

32 **Bradley Lambert:** No ma'am.

1 **Valeria Castle**: Okay. Um these people deserve the royalties definitely and it is just not fair,
2 that these these these two corporations are coming in and taking their their mining rights away
3 from them and something needs to be done. But we just, we just um, we feel like that it is a
4 conflict of interest for the Attorney General to be um involved in this and with corporations with
5 [Inaudible] money. Any questions?

6 **Bradley Lambert**: No ma'am.

7 **Valeria Castle**: Thank you for your time.

8 **Bradley Lambert**: Thank you. Next I have Mitchell Counts.

9 **Mitchell Counts**: My name is Mitchell Counts. I am from Buchanan County. I think most of
10 you know me.

11 **Bradley Lambert**: Good morning.

12 **Mitchell Counts**: Ah, good morning. I hope you all are having as nice a day as I am. But I can
13 kind of answer the ladies questions um about if you have problems with your deed and people
14 coming on your property there is nothing you can do about it. Ah, I have been trying since the
15 late eighties to try to stop them from taking what I knew was mine and crossing my property.
16 And they come up with a deal for me that I get 1/8 of what all the gas that comes off my
17 property. But I can't get that unless I hire a lawyer and give him 33% or I give up 1/16 because
18 of disrupting coal seams that are...ah that I had nothing to do with. I have been coming to these
19 meetings for two years and I haven't seen any improvement. It's a slow...slow line to get on this
20 page here. I don't know, I have hired a lawyer finally. I didn't think I should need one to get
21 paid for what was mine but um I don't think you have anything you can do. I don't know of a
22 thing you can do, um to stop them and I don't know what you can do to collect your money.
23 They took the gas because the state said they could and they don't pay you because they don't
24 want to. The gas companies do not want to give out this money. They want people to die off
25 and it go into heirship. And when that happens, then they can divide it up into such small
26 amounts and um...nobody profits from them. Thank you very much.

27
28 **Item Number 2**

29 **First Bank and Trust Quarterly Report**

30
31 **Bradley Lambert**: Thank you Mr. Counts. The next item on the agenda is the Board will now
32 receive a quarterly report regarding the escrow account from the First Bank and Trust escrow
33 agent for the Virginia Gas and Oil Board.

34 **Debbie Davis**: Good morning. I am Debbie Davis with First Bank and Trust Company. C. J.
35 Carter sends his regards. He had something to come up and he wasn't able to attend today, but

1 he will be at our next quarterly presentation. Um, I would like to start under tab one, I give
2 second quarter summary. We had a beginning balance as of 3/31 of \$27,868, 848.16. During
3 second quarter we had deposits of royalty and working income of \$330,743.82. Interest earned
4 for second quarter was \$19,305.26. Our escrow fees was \$6,963.54. We had distributions per
5 orders of \$369,945.27. There was one audit expense of \$2,768.00, which left us an ending
6 balance and you will note a correction that needs to be made on that it is of 6/31 not 3/31 of
7 \$27,839,220.43. It seems like the Board has been more interested in what we're doing year to
8 date so I did include a second page with year to date totals that will show you what has occurred
9 throughout the year on deposits and distributions.

10 **Bradley Lambert:** And what is that disbursement to date?

11 **Debbie Davis:** That's from January 1st to 6/31 is \$585,629.

12 **Sharon Pigeon:** We need to make that date correction on that page too.

13 **Debbie Davis:** Yes we do.

14 **Sharon Pigeon:** Okay.

15 **Debbie Davis:** And next time I will also maybe try to do a report that summarizes what we've
16 done since inception. If you think that might be helpful.

17 **Mary Quillen:** It would be great.

18 **Bradley Lambert:** Yes please do.

19 **Debbie Davis:** Okay. Under the second tab we have the outstanding check list. Um....you will
20 note on there is a few checks was sent in...ah...CNX Gas. I have been in touch with those and
21 those should be clearing off this week.

22 **Bradley Lambert:** I'm sorry, I missed that. What did you say?

23 **Debbie Davis:** There are outstanding checks to CNX Gas. Those should be clearing out this
24 week.

25 **Bradley Lambert:** Okay thank you.

26 **Mary Quillen:** All of this list?

27 **Bradley Lambert:** All of them?

28 **Debbie Davis:** Yes. Um...the others.....

29 **Bradley Lambert:** Excuse me, do you know why there all....is there some reason they gave you
30 that they would all be cleared out this week?

1 **Debbie Davis**: Um....I think there was some miscommunication about cashing those. It was
2 just a clerical error.

3 **Sharon Pigeon**: So you are talking about this section right here?

4 **Debbie Davis**: The ones that were payable to CNX Gas we'll clear. The others of course you
5 know I like to report those just so these people know that their tax reporting will be made and
6 also at the end of five years, those will be escheated to the state of Virginia and then they will
7 have to work with the state of Virginia to receive those funds back.

8 **Mary Quillen**: And when is that?

9 **Debbie Davis**: Five years from the date of issue. So um....

10 **Mary Quillen**: And have these people been advised of that? Do you know?

11 **Debbie Davis**: Well that's one of the reasons I bring it to the Board since this is public
12 knowledge.

13 **Mary Quillen**: Right. Is it the responsibility of the company to advise these people or....

14 **Debbie Davis**: You know I....if I have a current address I don't care to send out a letter and
15 inform them of that if you would like. Um....

16 **Mary Quillen**: I know that.....

17 **Debbie Davis**: Some of these you know they were returned and written voided.

18 **Mary Quillen**: I'm sorry?

19 **Debbie Davis**: I said some of those have been returned and written void on the checks.

20 **Mary Quillen**: Right, right I know yes.

21 **Debbie Davis**: So and I can reissue those at any time.

22 **William Harris**: Well I know that you commented that it is public knowledge I know a lot of
23 people are probably aware of that but I don't think people have that in the front of their mind. I
24 am wondering whose responsibility is it to contact folks. I know you are saying it is not anyone
25 since supposedly it is public knowledge.

26 **Debbie Davis**: Right.

27 **Mary Quillen**: And I know from some past experiences with some organizations that I have
28 been with that some monies had come that there were some checks that never came back for
29 payment and they went to the state and we had to work with them. But there was never anyone
30 when I checked into it, they said you know that they do this. They make that list public and it is

1 published in the local newspapers and that it is up to the individuals but there's um...unless the
2 person that issued the check or the company that issues the check takes on that responsibility and
3 informs these people but most of the time they don't.

4 **Debbie Davis**: Right.

5 **Bradley Lambert**: Ms. Davis are we talking about the ones that you have listed there at the
6 bottom of the page with the checks being issued or the issue date of 2/24/10 those? Are those the
7 group we are talking about?

8 **Debbie Davis**: Ah yes and those will be escheated to the state after five years.

9 **Bradley Lambert**: And I'm seeing a note here on the right hand side that says they are incorrect
10 addresses.

11 **Debbie Davis**: Yes and we've attempted to get corrected addresses and we've not been able to
12 and I think that the producers and the staff here at DMME have also worked to get those
13 addresses.

14 **Mary Quillen**: And these that have been returned that have void because they disagree with the
15 check amount. These people are aware of this that you know they've gotten the checks and
16 they've returned them so they would have to deal with the state is that correct?

17 **Debbie Davis**: After the five year period.

18 **Mary Quillen**: Right. Because these were issued in 2010.

19 **Debbie Davis**: Right.

20 **Bradley Lambert**: If it is okay with this Board. I will ask our Division of Gas and Oil, Mr.
21 Cooper and his staff to work on trying to contact these people one more time. We will either do
22 it by certified mail or we will publish it in the paper.

23 **Debbie Davis**: Okay.

24 **Bradley Lambert**: And we will do that. Thank you.

25 **Debbie Davis**: On the next page is just the monthly spreadsheet that shows the different
26 columns of the deposits, the interest, the fees and distributions. And of course on the very back
27 of that is the unfunded wells, which that list has gotten smaller. I will give you a moment to look
28 through there and see if there is any questions.

29 **Bradley Lambert**: I have one question maybe. Mr. Cooper you might can answer this question.
30 In the unfunded category Ms. Davis has given us, do you know the reason that we have some
31 with dates and a lot without dates on the established?

1 **Rick Cooper:** I do not but we are working on a report that you know in the past we have
2 brought some items this year and at our next Board meeting we have some items that we are
3 going to remove from this, there are several that we are going to remove that we have researched
4 and found that they are no longer valid.

5 **Debbie Davis:** Yes. The dates established that's something you, we tried to ah we are just now
6 starting to work on. So that it will be easier to determine if something has expired. So that is
7 something that is kind of new working trying to fill in those dates.

8 **Rick Cooper:** So what she is saying. We just recently started providing those dates to her so we
9 are doing that research and trying to update that and indeed if the orders have expired we will
10 bring those in front of the Board and remove those from the unfunded list. And we have a list of
11 those that we are working on now we just don't have them prepared for today but we will be
12 bringing those to every meeting to try and shorten that list.

13 **Bradley Lambert:** Okay thank you. Any questions from the Board?

14 **Donald Ratliff:** Mr. Chairman, I would suggest that we put that information on the website also.

15 **Debbie Davis:** I upload this every month to the website.

16 **Donald Ratliff:** I mean the fact that if they don't cash out in five years that it would revert back
17 to the state.

18 **Rick Cooper:** That is a good idea. We will put a statement on the web page stating that.

19 **Donald Ratliff:** If we do that and we run it in the paper then you've got the information and I
20 think that's a valiant effort to [inaudible]

21 **Debbie Davis:** And if at any time, you know, these people that have received the checks if their
22 bank will not accept it because they feel like the check is stale dated, if they'll give me a call, I
23 will reissue that check with the current date on it for them.

24 **Bradley Lambert:** Along with that statement Mr. Cooper, we might want to just add the names
25 of those folks that are...have not claimed and have the checks pending. Not the amount just the
26 names.

27 **Rick Cooper:** Okay and we will work with Ms. Davis to make sure we get a completed list that
28 is pretty accurate and we will post that on the website as another type of notification that we will
29 put into place.

30 **Mary Quillen:** That also might help with those unknown addresses if the name is posted
31 someone might know them.

1 **Rick Cooper**: Right. If we post them on the website when someone visits that if they don't
2 know, their neighbor may know them or something like that.

3 **Mary Quillen**: That's right. That's true.

4 **Rick Cooper**: So I would think if I am correct, most of these checks are being returned to you
5 for invalid addresses. Is that correct?

6 **Debbie Davis**: Um no. Just the ones that I have written...there's only one I think that I have an
7 invalid address at this time.

8 **Mary Quillen**: Yes. The rest of them were returned because they disagreed with them.

9 **Debbie Davis**: A couple have been returned and then if there is no comment I've not received
10 the checks back. I am assuming the...

11 **Sharon Pigeon**: So most of these are just outstanding?

12 **Debbie Davis**: They're just outstanding. Yes if I have no comment then it...

13 **Sharon Pigeon**: The name that we need an address on at least as far as we know is Edna Sue
14 Bailey?

15 **Debbie Davis**: Yes.

16 **Sharon Pigeon**: So if anyone here knows Ms. Bailey's address that would be helpful in this
17 case.

18 **Debbie Davis**: And if there is no questions on the spreadsheet I will move over to the
19 investments of the funds. Um...as of 6-30 dollars invested in the ICS money market was
20 \$2,919,220.43. That's the total we like to keep, close to three million. To date, it is back up to
21 three million. We had some disbursements and deposits come in to offset that. Currently we
22 only have three of the CDARS that are only earning twenty basis points and those total the
23 \$3,140,000. Then we have the other CDARS that are earning thirty basis points and that in
24 dollars invested is \$21,780,000. We still have an estimated annual income for the account of
25 \$77,458.00. C. J. Carter and myself have continued to watch rates that might be available for
26 other investments and we still feel that we are in the best place right now. I did do a summary of
27 what treasury bond rates were running. Currently, even if we went out two years its only thirty-
28 three basis points so with the year maturity we are getting thirty. So to go up that extra year we
29 don't feel like it is worth the extra interest. Um...of course treasury coupons a fifty-two week is
30 only paying eleven basis points. So with the Board's risk tolerance and the short maturity time
31 from that we like to kind of keep, you know we still feel like the CDARS is our best option on
32 investments at this time.

33 **Mary Quillen**: I think they have the best insurance that we are going to continue to do.

1 **Debbie Davis:** Yes.

2 **Mary Quillen:** In keeping it in that frame.

3 **Debbie Davis:** To keep it in the insured and with the short term maturities you know that you
4 know we could go out on a treasury five years and yield 1.39% but you know rates could go up
5 and we would be tied into that five years. So we just don't feel like it's, to extend the maturity
6 dates at this time for what rates we are getting we just don't feel like that it would be a good
7 option.

8 **Mary Quillen:** We need to keep that flexibility because hopefully we are going to be continuing
9 to increase disbursements so we need that flexibility.

10 **Debbie Davis:** Exactly. Yes.

11 **Bradley Lambert:** Any other questions from the Board? Anything further Ms. Davis?

12 **Debbie Davis:** Not that I know of.

13 **Bradley Lambert:** Thank you ma'am we appreciate your time.

14 **Debbie Davis:** Thank you. It is always a pleasure.

15

16 **Item Number 13**

17 **Bradley Lambert:** At this time, we are going to have a little change in the agenda. We are
18 going to be calling docket item number thirteen. A petition from Range Resources-Pine
19 Mountain, Inc., for a well location exception for Well No. 900108, this is Docket Number
20 VGOB-13-0521-4013. All parties wishing to testify please come forward.

21 **Tim Scott:** Mr. Chairman, Tim Scott, Gus Janson and Phil Horn for Range Resources-Pine
22 Mountain Inc. We are going to withdraw that application.

23 **Bradley Lambert:** Withdrawn. That application will be withdrawn.

24 **Tim Scott:** Thank you.

25 **Item Number 14**

26 **Bradley Lambert:** Okay we are calling docket item number fourteen. A petition from Range
27 Resources-Pine Mountain, Inc., for a pooling of conventional well number V-530346. Docket
28 number VGOB-13-0618-4016. All parties wishing to testify please come forward.

29 **Tim Scott:** Again Tim Scott, Gus Janson and Phil Horn for Range Resources-Pine Mountain,
30 Inc.

1 **Bradley Lambert:** You may proceed Mr. Scott.

2 **Diane Davis:** Do you swear and affirm that the testimony that you are about to give is the truth
3 the whole truth and nothing but the truth?

4 **Gus Janson:** Yes I do.

5 **Phil Horn:** I do.

6 **Tim Scott:** Mr. Horn please state your name by whom you are employed and your job
7 description.

8 **Phil Horn:** My name is Phil Horn. I am the Land Manager for Range Resources-Pine
9 Mountain, Inc., and my job description is manager for permitting and drilling.

10 **Tim Scott:** You are familiar with this application, are you not?

11 **Phil Horn:** Yes I am.

12 **Tim Scott:** And how many acres does this unit contain?

13 **Phil Horn:** 112.69.

14 **Tim Scott:** Range has most of this unit under lease. Is that correct?

15 **Phil Horn:** That is correct.

16 **Tim Scott:** And in this case, Range is both an owner and a leasee. Is that correct?

17 **Phil Horn:** That is correct.

18 **Tim Scott:** Okay. Are we going to dismiss any respondents today?

19 **Phil Horn:** Yes we are. Charles Riner.

20 **Tim Scott:** And we received a lease from him yesterday is that correct?

21 **Phil Horn:** That's correct.

22 **Tim Scott:** Okay. And you have passed out revised exhibits to the Board Members?

23 **Phil Horn:** Yes I have.

24 **Tim Scott:** Have you attempted to reach an agreement with the other party respondent?

25 **Phil Horn:** Yes we have.

26 **Tim Scott:** As a result of your leasing efforts, what percentage of the unit does Range have
27 under lease or does...

1 **Phil Horn**: 99.73%

2 **Tim Scott**: How was notice of this hearing affected?

3 **Phil Horn**: By certified mail and also by publication in the Coalfield Progress on May 23, 2013.

4 **Tim Scott**: We don't have any unknown owners do we?

5 **Phil Horn**: That is correct.

6 **Tim Scott**: No conflicting owners, is that right?

7 **Phil Horn**: That is correct.

8 **Tim Scott**: Now Range is authorized to conduct business with the Commonwealth is that right?

9 **Phil Horn**: That is correct.

10 **Tim Scott**: And there is a blanket bond on file?

11 **Phil Horn**: That is correct.

12 **Tim Scott**: If you were to reach an agreement with the unleased party respondent, what terms
13 would you offer her?

14 **Phil Horn**: \$25 per acre per five year paid up lease provides a 1/8 royalty.

15 **Tim Scott**: And what percentage of the oil and gas estate are you seeking to pool today?

16 **Phil Horn**: .27%

17 **Tim Scott**: And we have no escrow requirement, is that right?

18 **Phil Horn**: That is correct.

19 **Tim Scott**: And you are asking the Board to pool the unleased party listed on Exhibit B3?

20 **Phil Horn**: That is correct.

21 **Tim Scott**: And you are also requesting that Range be named operator for this unit. Is that
22 right?

23 **Phil Horn**: That is right.

24 **Tim Scott**: Now if the Board grants our application today and elections be made by that
25 particular party what address should be used?

26 **Phil Horn**: Range Resources-Pine Mountain, Inc., P. O. Box 2036, Abingdon, VA 24202.

1 **Tim Scott**: Is that the address for all correspondence?

2 **Phil Horn**: Correct.

3 **Tim Scott**: That's all I have for Mr. Horn.

4 **Bradley Lambert**: Any questions from the Board? You may continue Mr. Scott.

5 **Tim Scott**: Thank you Mr. Chairman. Mr. Janson by whom you are employed and your job
6 description.

7 **Gus Janson**: My name is Gus Janson, I'm employed by Range Resources-Pine Mountain, Inc.,
8 as the Manager of Geology.

9 **Tim Scott**: And you participated in the preparation of this application, is that right?

10 **Gus Janson**: That is correct.

11 **Tim Scott**: What's the proposed depth of this well?

12 **Gus Janson**: 5,041 feet.

13 **Tim Scott**: And the estimated reserves?

14 **Gus Janson**: Five hundred million cubic feet of gas.

15 **Tim Scott**: Are you also familiar with the cost of this well?

16 **Gus Janson**: Yes I am.

17 **Tim Scott**: What's the estimated dry hole cost?

18 **Gus Janson**: \$228,973.

19 **Tim Scott**: And the estimated completed well cost?

20 **Gus Janson**: \$502,621.

21 **Tim Scott**: We provided an AFE with our application is that right?

22 **Gus Janson**: Yes we did.

23 **Tim Scott**: Did you participate in preparation of the AFE?

24 **Gus Janson**: I did.

25 **Tim Scott**: And do you think the AFE includes a reasonable charge for supervision?

26 **Gus Janson**: Yes it does.

1 **Tim Scott**: And in your opinion, if our application is granted, would it prevent waste, to
2 promote conservation and protect correlative rights?

3 **Gus Janson**: Yes it would.

4 **Tim Scott**: That's all I have for Mr. Janson.

5 **Bradley Lambert**: Any questions from the Board? Anything further Mr. Scott?

6 **Tim Scott**: That's all I have for this item Mr. Chairman.

7 **Bradley Lambert**: Do I have a motion?

8 **Mary Quillen**: Motion to approve.

9 **William Harris**: Second.

10 **Bradley Lambert**: I have a motion and a second. Any further discussion? All in favor signify
11 by saying yes.

12 **Board**: Yes.

13 **Bradley Lambert**: Opposed, no. Thank you Mr. Scott that is approved.

14 **Item Number 15**

15 **Bradley Lambert**: Calling docket item number fifteen. A petition from Range Resources-Pine
16 Mountain, Inc., for a well location exception for well number 900120, Docket number VGOB-
17 13-0716-4017. All parties wishing to testify, please come forward.

18 **Tim Scott**: Again Tim Scott, Gus Janson and Phil Horn for Range Resources-Pine Mountain,
19 Inc.

20 **Mary Quillen**: Mr. Chairman.

21 **Bradley Lambert**: Mrs. Quillen?

22 **Mary Quillen**: Yes this gentlemen had asked about number of a item an agenda item. And I'm
23 not sure who it is with. He said he can't hear. If, could I check that number and tell him what
24 the agenda item is?

25 **Bradley Lambert**: Absolutely. Yes ma'am.

26 [Inaudible]

27 **Bradley Lambert**: Mr. Scott you may proceed.

1 **Tim Scott:** Thank you. Mr. Horn your name by whom you are employed and your job
2 description again please.

3 **Phil Horn:** My name is Phil Horn, I'm employed as the Land Manager for Range Resources-
4 Pine Mountain, Inc.

5 **Tim Scott:** And you are familiar with this application?

6 **Phil Horn:** Yes I am.

7 **Tim Scott:** Are you familiar with the owner of the minerals underlying this unit?

8 **Phil Horn:** Yes I am.

9 **Tim Scott:** Are those owners set out on Exhibit B?

10 **Phil Horn:** Yes they are.

11 **Tim Scott:** And who operates the wells from which we are seeking a well location exception
12 today?

13 **Phil Horn:** Range Resources-Pine Mountain, Inc.

14 **Tim Scott:** In this particular case Range is both an owner and a lessee, is that right?

15 **Phil Horn:** Yes.

16 **Tim Scott:** How was notice of this hearing affected?

17 **Phil Horn:** By certified mail.

18 **Tim Scott:** And we have provided proof of the mailing to the Board, is that right?

19 **Phil Horn:** Yes you have.

20 **Tim Scott:** That's all I have for Mr. Horn.

21 **Bradley Lambert:** Any questions from the Board? You may continue Mr. Scott.

22 **Tim Scott:** Thank you. Mr. Janson, your name, by whom you are employed, and your job
23 description please?

24 **Gus Janson:** My name is Gus Janson I'm employed by Range Resources-Pine Mountain, Inc., as
25 the manager of geology.

26 **Tim Scott:** You participated in the preparation of this application is that right?

27 **Gus Janson:** I did.

1 **Tim Scott**: And would you please tell the Board why we are seeking a location exception for
2 this particular unit today.

3 **Gus Janson**: Yes, if the Board members will refer to the Exhibit H2 you will see the location of
4 the proposed well 900120. And the, also the location of the offsetting wells in the area. This
5 well has been positioned due to the steep terrain and topographic constraints which results in the
6 maximum recovery of the natural gas resources with relation to the offsetting wells. The newest
7 feasible location meeting the statewide spacing requirements identified is approximately two
8 thousand feet to the southwest in the event that the well is not drilled at the proposed location
9 approximately 92.46 acres of reserves would be stranded.

10 **Tim Scott**: Okay. What's the proposed depth of this well?

11 **Gus Janson**: 5,717 feet.

12 **Tim Scott**: And the potential loss of reserves?

13 **Gus Janson**: Four hundred million cubic feet of gas.

14 **Tim Scott**: And if the Board approves our application today, it will prevent waste, to protect the
15 correlative rights to promote conservation, is that right?

16 **Gus Janson**: That is correct.

17 **Tim Scott**: That's all I have for Mr. Janson.

18 **Mary Quillen**: Mr. Chairman, I have one question for Mr. Janson.

19 **Bradley Lambert**: Mrs. Quillen.

20 **Mary Quillen**: These...um.... overlapping wells, who operates those?

21 **Gus Janson**: Those are operated by Range Resources.

22 **Mary Quillen**: Okay thank you.

23 **Bradley Lambert**: Any other questions from the Board? Anything further Mr. Scott?

24 **Tim Scott**: That is all I have Mr. Chairman.

25 **Bradley Lambert**: Do I have a motion?

26 **Mary Quillen**: Motion to approve.

27 **William Harris**: Second.

1 **Bradley Lambert:** I have a motion and a second. Any further discussion? All in favor signify
2 by saying yes.

3 **Board:** Yes.

4 **Bradley Lambert:** Opposed no. Thank you Mr. Scott that is approved.

5 **Item Number 16**

6 **Bradley Lambert:** Calling docket item number sixteen. A petition from Range Resources-Pine
7 Mountain, Inc., for a well location exception for well number 900140. It is Docket number
8 VGOB-13-0716-4018. All parties wishing to testify, please come forward.

9 **Tim Scott:** Tim Scott, Gus Janson and Phil Horn for Range Resource-Pine Mountain, Inc.

10 **Rick Cooper:** Mr. Chairman the individual on this case, he can't hear real well. He just wanted
11 to hear what was going on on this docket item. If you will notify him in regard to that. He wants
12 to sit a little closer so he can hear what is going on.

13 **Bradley Lambert:** Absolutely. Mr. Cooper if you want to sit with him and help him hear and
14 understand what is going on that will be fine.

15 **Rick Cooper:** He might be able to hear from right here.

16 **Bradley Lambert:** Okay. You may proceed Mr. Scott.

17 **Tim Scott:** Thank you Mr. Chairman, one more time your name, by whom you are employed
18 and your job description.

19 **Phil Horn:** My name is Phil Horn, I'm employed by Range Resources-Pine Mountain, Inc., as
20 Land Manager.

21 **Tim Scott:** And are you familiar with this application?

22 **Phil Horn:** Yes I am.

23 **Tim Scott:** We have listed the owners of the minerals under this unit, is that right?

24 **Phil Horn:** That is correct.

25 **Tim Scott:** Is that on Exhibit B?

26 **Phil Horn:** Yes it is.

27 **Tim Scott:** We have two wells from which we are seeking a well location exception today.
28 Who operates those wells and will you give us a little history about those, please?

1 **Phil Horn**: V-530038 is a well that was drilled by Range which is operated by EQT Production
2 Company, but we also have an interest in it. VH-530183 is [Inaudible] well we have permitted
3 but not drilled yet.

4 **Tim Scott**: Okay. So as you indicated, Range is both an owner and an operator in this well, is
5 that right?

6 **Phil Horn**: That is correct.

7 **Tim Scott**: How was notice of this hearing provided to the parties listed on Exhibit B?

8 **Phil Horn**: By certified mail.

9 **Tim Scott**: And we have provided proof of our mailing to the Board, is that correct?

10 **Phil Horn**: That is correct.

11 **Tim Scott**: That's all I have for Mr. Horn.

12 **Bradley Lambert**: Any questions from the Board? You may continue Mr. Scott.

13 **Tim Scott**: Thank you Mr. Chairman. Mr. Janson, your name, by whom you are employed, and
14 your job description please.

15 **Gus Janson**: My name is Gus Janson, I'm employed by Range Resources-Pine Mountain, Inc.
16 as the Manager of Geology.

17 **Tim Scott**: And you are familiar with this application, is that right?

18 **Gus Janson**: Yes I am.

19 **Tim Scott**: And you did participate in the preparation of the application, is that also correct?

20 **Gus Janson**: I did.

21 **Tim Scott**: Would you please tell the Board why we are seeking the well location exception for
22 this particular unit today?

23 **Gus Janson**: Yes. If the Board members would refer to Exhibit H2 you will see the location of
24 the proposed well 900140, along with the offsetting wells in the [inaudible] area. Again this well
25 has been positioned in the steep terrain in the topographic constraints resulting in the maximum
26 recovery of the natural gas resources with relation to the existing offsetting wells. The newest
27 feasible location meeting the state-wide spacing requirements has been identified approximately
28 2,200 feet to the northwest. In the event that the well is not drilled at the proposed location,
29 approximately 78.49 acres of reserve would be stranded.

30 **Tim Scott**: What's the proposed depth of this well?

1 **Gus Janson**: 5,489 feet.

2 **Tim Scott**: And the potential loss of reserves if the application is not granted?

3 **Gus Janson**: Four hundred and fifty million cubic feet of gas.

4 **Tim Scott**: Then in your opinion if the application is granted, it would promote conservation,
5 prevent waste, and protect correlative rights, is that correct?

6 **Gus Janson**: That is correct.

7 **Tim Scott**: That's all I have for Mr. Janson.

8 **Bradley Lambert**: Any questions from the Board? Mr. Janson why did you say that you need
9 to move the well down as far as you did?

10 **Gus Janson**: Due to topographic constraints.

11 **Bradley Lambert**: Oh okay. Nothing to do with the splashdam mine works.

12 **Gus Janson**: Those mine works have been abandoned and we could drill through those. And
13 we probably will propose another well to the northwest I would say at a future date.

14 **Bradley Lambert**: Okay. Any other questions from the Board? Sir did you hear and
15 understand everything?

16 [Inaudible]

17 **Bradley Lambert**: Okay good. Thank you.

18 **Sharon Pigeon**: Do you have any questions?

19 **Denver Bailey**: Yes.[Inaudible] This is the first time since [Inaudible]
20 [The microphone is placed in front of Mr. Bailey]

21 I've had one list of [inaudible] conversations with somebody that I don't even know who right
22 now. I informed them people that I don't know where I was for or against it that I was not
23 familiar with it. I live in Kentucky, my property is in Virginia. I asked them to give me some
24 time and get back with me and we would negotiate it. The next thing I got was a summons I call
25 it maybe incorrectly, to meet over here for you all to override and go on with their plans. Now
26 I'm not saying that I object to it, but I'm just saying that as a landowner in Virginia, I think I
27 ought to be better prepared and better represented, than I have been, and been allowed to do it at
28 this hearing. I definitely object to the method and the only thing that I would ask is to give me
29 another opportunity to understand and to meet back better prepared.

1 **Bradley Lambert**: Sir, are you a landowner in this...for this particular well that is going to be
2 drilled?

3 **Denver Bailey**: I thought I was.

4 **Bradley Lambert**: What's your name sir? For the record.

5 **Denver Bailey**: Denver Bailey. My wife Bonnie and I own it.

6 **Bradley Lambert**: Bailey?

7 **Denver Bailey**: Yeah.

8 **Rick Cooper**: Mr. Horn could you help us with that?

9 **Phil Horn**: He's a oil and gas owner I think he is tract sixteen, tract eighteen and you live in
10 Elkhorn City, correct?

11 **Denver Bailey**: I live in Kentucky, Elkhorn City, Kentucky.

12 **Phil Horn**: We have contacted him before about leasing, we have contacted him a couple of
13 times about leasing and I will be glad to talk to him after the meeting.

14 **Denver Bailey**: I guess that's my objections. You get me in a position here where I am not
15 prepared and want to negotiate a contract that I just don't think is fair. I just don't think it is the
16 right thing to do. I ought to have an opportunity, if I need to have counsel. I ought to have an
17 opportunity to understand where this well is, now I have a map of it, but I still don't know
18 exactly where it's at.

19 **Sharon Pigeon**: Mr. Bailey, this is just asking the Board to approve a location that is outside the
20 statutory placement rules. This isn't about pooling the well or about permitting the well. That is
21 two other things that will still yet happen and you will get notice on both of those as well. So
22 they don't have a permit yet, this is just asking to put this well in a slightly different location than
23 the statute would have otherwise required.

24 **Denver Bailey**: Well see, I hope I explained that when I sat down here. I guess it's just that I'm
25 not prepared to be here. I'm just not prepared to be here.

26 **Sharon Pigeon**: That's fine.

27 **Bradley Lambert**: That's fine, we understand.

28 **Sharon Pigeon**: But there will be two more things that happen and you will have an opportunity
29 to appear at each of those things as well.

30 **Denver Bailey**: Okay.

1 **Sharon Pigeon**: And in the mean time you can deal directly with these folks about negotiating
2 or whatever.

3 **Denver Bailey**: Well am I allowed a lawyer?

4 **Sharon Pigeon**: Oh yes.

5 **Denver Bailey**: And to meet with them and object to them and all like that?

6 **Sharon Pigeon**: Absolutely!

7 **Bradley Lambert**: Yes.

8 **Denver Bailey**: So it has nothing to do, let me clearly understand with the acts of drilling the
9 well?

10 **Sharon Pigeon**: This has to do with where they can drill the well, a location exception. Under
11 the statute a certain place is where they should drill. So many feet from another well and
12 here's... do you all have an extra one of these for him maybe so he can see what we are talking
13 about?

14 **Bradley Lambert**: While we are doing that, Mr. Horn can I ask you a quick question? You said
15 that you were in tract eighteen I believe?

16 **Phil Horn**: He is on tract eighteen, correct.

17 **Bradley Lambert**: I don't have a tract eighteen.

18 **Sharon Pigeon**: We have the other one [inaudible]

19 **Phil Horn**: He is in sixteen. I am sorry.

20 **Bradley Lambert**: Oh sixteen.

21 **Phil Horn**: I can't read.

22 **Denver Bailey**: I can't see so...

23 [Laughter]

24 **Phil Horn**: Tract sixteen. The well is located down on Sid Stanley's property. Down below the
25 railroad tracks. The railroad runs up through here you see.

26 **Denver Bailey**: So this is on Sid's property?

27 **Phil Horn**: Yes sir.

28 **Denver Bailey**: Or his wife's?

1 **Phil Horn**: His wife's property, correct.

2 **Denver Bailey**: Yeah.

3 **Phil Horn**: No operation what so ever is planned on your property. You are just inside this
4 circle. Okay?

5 **Denver Bailey**: Is this...are they going to be horizontal or are they going to be taking any gas off
6 my property?

7 **Phil Horn**: Yes sir, this amount right here, tract sixteen will be taking gas out from under your
8 property.

9 **Denver Bailey**: Okay.

10 **Phil Horn**: This well will be a vertical well. It won't be a horizontal well. Here's your property
11 right here, it sits here.

12 **Denver Bailey**: Okay. Of course, I guess at this point and I'm a layman and please bear with
13 me on this.

14 **Bradley Lambert**: Oh yes sir we understand. We are here to help you.

15 **Denver Bailey**: I hope you do. I've never heard one mention from their standpoint of my
16 liability or their liabilities or compensation or no compensation. I've never heard nothing like
17 this and I just feel a little bit screwed over sitting here never having an opportunity to discuss
18 this.

19 **Bradley Lambert**: You will get an opportunity Mr. Bailey just as Ms. Pigeon has described to
20 you, this is just granting them the ability to move their well a little bit.

21 **Denver Bailey**: Yeah. Well if they drill this well here and they're wanting to drain my rights
22 here, my gas..ahhh.... what have I got to say in that?

23 **Phil Horn**: We will be back here for another hearing just like today.

24 **Denver Bailey**: No I didn't ask that question sir and I acted respectfully. I asked what part have
25 I got to play in that?

26 **Bradley Lambert**: You can work with the company directly to work out terms of a lease or any
27 other agreement you may come to with the company. But beyond that if you are not able to
28 reach an agreement, then you have the ability to come back before this Board at the time that
29 they ask to pool those areas.

30 **Denver Bailey**: Okay are they a law in the state of Virginia if I do not choose to have my
31 property pooled, can I re...re...back out of that? Say I want to drill my own gas well and I

1 owned the surface and the rights, are you all denying me that opportunity or would I be denied
2 that opportunity?

3 **Bradley Lambert**: No sir if you own both the surface and gas rights you have the ability to drill
4 the well [inaudible]

5 **Denver Bailey**: Okay if they go in there and drill it over my objections where does that leave
6 me?

7 **Bradley Lambert**: Well I think we are going to get into a lease discussion here and we this
8 Board doesn't enter into any kind of negotiation between you and the company on leases, that is
9 where Mr. Horn is saying that he will talk with you and see what kind of arrangement they can
10 work out with you, if any.

11 **Denver Bailey**: Yeah. I'm not saying I wouldn't be for it. I'm just saying I don't know enough
12 about it to discuss it.

13 **Sharon Pigeon**: One of your options will be when they decide to come before the Board to pool
14 this unit, you can participate with them and that would be one of your election options that you
15 would have if you wanted to. So in that sense you could participate in the operating of the well.

16 **Denver Bailey**: But then, I guess I am asking questions maybe you all don't have jurisdiction
17 [Inaudible] the purpose of being here. But let's just say I decide that I want to negotiate a driller
18 to drill that well are there they a thing in the state of Virginia that keeps me from holding my
19 rights there? Can they come in and say I want to go in front of the Board and get a permission
20 regardless of how you feel?

21 **Bradley Lambert**: Well again that is getting into some negotiation between you and the
22 company that this Board...we don't do that. We don't....

23 **Denver Bailey**: Sir I know I'm a poor spokesman.

24 **Bradley Lambert**: No you're...

25 **Denver Bailey**: And I know I don't understand this.

26 **Bradley Lambert**: We are trying to help you.

27 **Denver Bailey**: I'm not here to I know that. I'm getting the impression that they're wanting to
28 negotiate with me later about pooling my property.

29 **Bradley Lambert**: No sir they can't do that. They have to come and talk to you first before
30 they come before this Board to ask for a pooling order.

31 **Denver Bailey**: So I have a right to object? What is your rights after that?

1 **Phil Horn**: It depends on what the Board decides.

2 **Denver Bailey**: So the Board can?

3 **Bradley Lambert**: Well we can deny the pooling order and we have done that before but again
4 we have to hear the testimony and we can't make that call today.

5 **Denver Bailey**: But if I'm hearing correctly and please understand if I'm not, if I'm hearing
6 correctly this is the first step leading to the next step where they can go ahead and ask for a
7 hearing and if I lose they can take my gas?

8 **Bradley Lambert**: No sir. They cannot.

9 **Denver Bailey**: Where am I misunderstanding? I am sorry I apologize for not understanding.

10 **Bradley Lambert**: Well again at that point is where you will have to negotiate with them on the
11 lease terms.

12 **Denver Bailey**: Well is this Board the same Board that gives them the right to pool my
13 property?

14 **Phil Horn**: Yes sir.

15 **Denver Bailey**: So you do have indirectly something to....

16 **Phil Horn**: Yes sir.

17 **Denver Bailey**: to say about it.

18 **Bradley Lambert**: After we hear the testimony, yes sir.

19 **Denver Bailey**: But if if if if they have the compelling testimony what would they be
20 compelling I guess over saying I own this, I pay taxes on it, it's my property my wife had bought
21 it and worked for it we have built a cabin up there we are developing a little resort up there for
22 retirement and they just say we need that.

23 **Bradley Lambert**: Well now you are talking about surface now and that's different from your
24 gas rights.

25 **Denver Bailey**: Yeah well I'm talking about my gas rights too. I mean if I own it I own it. If I
26 don't I don't.

27 **Bradley Lambert**: Yes sir.

28 **Denver Bailey**: And I guess that I am totally confused. I'm totally confused is how we can sit
29 here and say you have to go [inaudible] with them before we can pool it. Then I'm hearing you
30 say well we can give them authority to pool it.

1 **Bradley Lambert**: After we hear testimony from both sides.

2 **Denver Bailey**: After we hear....I know you see I'm confused just regardless of what the
3 testimony is. I'm confused as a landowner who bought that property, who pays tax on that
4 property, who claims deed to that property. I'm talking about what compelling evidence can you
5 hear to make them override my personal and private desires over my ownership of what I own.

6 **Bradley Lambert**: Again we can't...this Board can't answer that until we hear....

7 **Denver Bailey**: Until you hear it. But it can be done?

8 **Bradley Lambert**: Yes sir.

9 **Denver Bailey**: They can present compelling evidence that you would overlook and override
10 my ownership.

11 **Bradley Lambert**: Well we would just have to hear the testimony.

12 **Denver Bailey**: But they I sir I meant God please bear with me. I'm not trying to be arrogant.
13 I'm trying to say am I hearing you say that he can ask for it and this Board can grant it if he can
14 present the argument? I'm just simply asking what argument would be more compelling than the
15 ownership of property and that property owner's desire?

16 **Bradley Lambert**: I don't think this Board can answer that question for you today, we just have
17 to wait to hear the testimony between both sides not just their side but from your side as well.

18 **Denver Bailey**: Well I guess that, sir I please please hear me say very clearly. I don't see where
19 they've got a side when I own that property, pay taxes on it, own it and maybe someday want to
20 drill my own well. I have a hard time living in what I thought was a free country that negotiated
21 and bought and paid for property. I am having a difficult time understanding how they can
22 present a compelling case to take my rights away. If I own a car I own a car. If I want to sell it,
23 I sell it, if I don't I keep it. If I want to junk it, I junk it. If I want to sit there and look at it, I
24 look at it. But what what kind of compelling rights can they present to override my property
25 owner rights. I just don't want it bothered right now. I've spent a lot of money up there building
26 me a cabin and clearing fields and making a resort type thing up there to retire on and I'm just
27 wondering what kind of rights a compelling case could they make and I submit to you they not
28 one. They cannot make a case compelling to override my ownership of that property.

29 **Bradley Lambert**: Well I appreciate your comments but now we are getting into a permitting
30 issue and that's not before us here today. We're only to hear the case of the well location
31 exception.

32 **Denver Bailey**: Well I think I hear that and thoroughly understand that but I still can't
33 understand what kind of case I mean to me it would just be a slam dunk case. If I own it I own

1 it, if I don't they don't. If they own it they ought to produce the deed for it. If they don't have
2 the deed for it tell them to leave me alone.

3 **Bradley Lambert**: Well they will notify you when they request a pooling or they will be in
4 contact with you to try to negotiate with you.

5 **Denver Bailey**: Okay so again respectively this is what I'm going to deal with on the next
6 [inaudible], so I better be lawyered up hadn't I?

7 **Bradley Lambert**: We can't advise you of that.

8 **Denver Bailey**: I know you can't but is this what I'm going to deal with next time? The same
9 Board, the same questions, the same attitude, the same everything?

10 **Bradley Lambert**: No sir. We can't answer that question until we get that case before us.

11 **Sharon Pigeon**: But you do have the right to have a lawyer at any point.

12 **Denver Bailey**: I really appreciate understanding or listening to me I don't think you understood
13 me but I really appreciate you hearing me and I'd like very much to ask you to humbly listen to
14 what I had to say.

15 **Bradley Lambert**: We appreciate it sir we did hear you.

16 **Denver Bailey**: I really do. Did he have a question? He acted like he did.

17 **Bradley Lambert**: Mr. Harris do you have a question?

18 **William Harris**: Well I'm not sure that I need to comment at this time but if you look at the law
19 in Virginia and how it treats gas the problem is gas is migratory and so is if you have gas under
20 your property and a well is approved since gas migrates as its being pumped that's going to
21 involve your gas that's under your property. So this is what pooling is about. Even though you
22 may object to the gas being removed if the approval is given to pump gas that's a thousand feet
23 or so away from your property or whatever, I would have to look at the map but what happens is
24 even though you may object that if the approval is given that gas gets drawn with the rest of the
25 gas in that particular unit so we've made a unit to say these are the people that own the gas and
26 that's what escrow accounts are all about and there are people that don't sign a lease that do
27 object. Unfortunately the state of Virginia has proposed the and this is years ago in the gas laws
28 as proposed for the development of gas in the state and so going forward from that the idea is
29 that if the landowner or someone who believes they own and I'm not saying you don't by using
30 the word believes...

31 **Denver Bailey**: That's no problem.

1 **William Harris**: [Inaudible] gas fill that they don't want their gas taken well...if you have 5% of
2 the whole what we call the unit the state says well we well I can't tell you what the state's going
3 to do but basically that 5% is like the tail wagging the dog. If that person decides they don't
4 want to sign a lease or whatever then something is worked out with the state and their money is
5 the money that is due to them is put in escrow.

6 **Denver Bailey**: Okay then.

7 **William Harris**: So...

8 **Denver Bailey**: And I if I [inaudible] to say it's time for you to go and I will be fine. You won't
9 offend me. That under your scenario, could I go up there and drill a well on my property and
10 then...

11 **William Harris**: You're going to affect people.

12 **Denver Bailey**: Incur all them without their permission or blessings and from them and put
13 them in escrow.

14 **William Harris**: I'm not saying you can do that but that's basically what the state has said.

15 **Denver Bailey**: I mean what do you mean I could find [inaudible] do it. I'm just saying is it
16 legal for me to do that? Can I just reverse this thing and approach it from another standpoint and
17 then see how they feel about it?

18 **William Harris**: Well I'd say you could but um...there are certain, again if you look at the
19 regulations you can see what the requirements are in order for you to be a producer or you to
20 be... to go and drill that property. But I understand what you're saying. You are saying in
21 principle....

22 **Denver Bailey**: The principle [inaudible] talking about.

23 **William Harris**: terms of agreement and disagreement.

24 **Denver Bailey**: I mean don't please don't hear me wrong. The gas up there, I can live or live
25 without it.

26 **William Harris**: Yeah.

27 **Denver Bailey**: But it's the principles. It is the downright principle by being born in America to
28 work hard, to get ahead, invest in property, to build a retirement home and somebody walks in
29 and railroads you.

30 **William Harris**: Well.

31 **Denver Bailey**: It is the principle that I am debating I guess.

1 **William Harris**: Yeah. Well with all due respect though, you know again, looking at the map,
2 the portion of property that you own in this what we call a drilling unit that portion and I can't
3 speak for them, doesn't appear to be that there is going to be any surface disruption. Ah...so
4 what you've built on the surface should be and I can't say it won't be, but should be unaffected.

5 **Denver Bailey**: Well I think I understand that. But it's still....

6 **William Harris**: The gas underneath will be affected.

7 **Denver Bailey**: This principle remains that I worked hard.

8 **William Harris**: Oh I understand and I respect that.

9 **Denver Bailey**: And I've worked ever since I was fifteen years old looking forward to the day
10 that I could retire and have something that I had accumulated on my own without any
11 government help or neighbors help or anybody. And then when it has come to that time that I'm
12 faithful something or another now you might not like it but we can pool you and take part of it
13 and we can give you what you want and put it in escrow. If I'm hearing you....did I shorten it up
14 pretty short?

15 **William Harris**: Unfortunately the...or fortunately as the case may be there is again state
16 regulations that allow for a procedure if people object to still get compensated.

17 **Denver Bailey**: Well I have to tell you this has been informative and certainly professional, but
18 I guess I'm still just flabbergasted that I'm sitting here defending my rights that I have worked so
19 hard for all my life. But I appreciate you listening to me. But I will have another opportunity...

20 **Bradley Lambert**: Yes sir you will.

21 **Denver Bailey**: to come and with...with if I feel representation needed with a representation to
22 counteract all of this.

23 **Bradley Lambert**: Yes sir you will have that opportunity. Yes sir.

24 **Denver Bailey**: Um.....

25 **Mary Quillen**: Sir let me make a suggestion that you meet with the folks from Range and they
26 will be able to spend time with you and walk you through this and help you to better understand
27 it.

28 **Denver Bailey**: I have no problem with that at all.

29 **Mary Quillen**: But I think that would probably be the most helpful thing to you.

30 **Denver Bailey**: But... I guess it boils back down to what if I meet with them and I still don't
31 want my property go.

1 **Mary Quillen**: Well you know, that's, you know, speculation. I think you, before you make
2 any kinds of you know rash decisions I think it would be to your advantage to meet with these
3 folks and talk with them.

4 **Denver Bailey**: Oh I will. I have no problem with that. I have no problem with that.

5 **Mary Quillen**: And they have the time to sit down and individually look at your property as part
6 of that tract.

7 **Denver Bailey**: And we'll drink coffee and have dinner and be friends but....but if the law is on
8 their side...you know I need to accept that too. If it's not on, if it's on my side I might want to
9 put a well up there too. I guess I'm just trying to evaluate this thing out. What's good for the
10 goose should be good for the gander.

11 **Mary Quillen**: Well I would suggest that you, you know, have a, you know, an extended
12 conversation with them and....

13 **Denver Bailey**: If you give me a call I will be glad to meet with you.

14 **Bradley Lambert**: Okay ladies and gentleman...

15 **Mary Quillen**: and I think you'd be...

16 **Bradley Lambert**: Ms. Quillen thank you all for the comments but...

17 **Denver Bailey**: appreciate it

18 **Bradley Lambert**: we are going to move on at this point Mr. Scott do you have anything
19 further?

20 **Tim Scott**: That's all I have.

21 **Bradley Lambert**: Do I have a motion?

22 **Mary Quillen**: Motion to approve.

23 **William Harris**: Second.

24 **Bradley Lambert**: I have a motion and a second. Any further discussion? All in favor signify
25 by saying yes.

26 **Board**: Yes.

27 **Bradley Lambert**: Opposed no. Thank you Mr. Scott that is approved.

28 **Tim Scott**: Thank you.

1 **Item Number 8**

2 **Bradley Lambert:** At this time, go to docket item number eight and that's a petition from EQT
3 Production Company for disbursement of funds on behalf of Linda Gail Chafin, William Counts,
4 Kevin Counts, Lonnie Rayford Counts, James Counts, Lora Lee Counts, Maynard Counts and
5 Range Resources-Pine Mountain, Inc., for their interests in tracts two and four for Well VC-
6 502832. This is Docket Number VGOB-02-1217-1109-06. That will be continued until August.

7
8 **Item Number 9**

9 **Bradley Lambert:** Docket item number nine is a petition from EQT Production Company, for
10 the disbursement of escrowed funds on behalf of Alcie Keen, tract number five of well VC-
11 502832. Docket Number VGOB-02-1217-1109-07, that will be continued until August.

12 **Item Number 10**

13 **Bradley Lambert:** Docket item number ten. A petition from EQT Production Company for the
14 disbursement of escrowed funds on behalf of Freddie and Darlene Johnson, Teresa Patrick,
15 Gaynell and Carl Sampson and Range Resources-Pine Mountain, Inc., on tract number five for
16 well VC-502832. Docket number VGOB-02-1217-1109-04, will be continued until August.

17 **Item Number 11**

18 **Bradley Lambert:** Docket item number eleven. A petition from EQT Production Company, for
19 disbursement of escrowed funds on behalf of Marshall Johnson for interest in tract number five
20 for well VC-503832. Docket number VGOB-02-1217-1109-05 will be continued until August.

21 **Item Number 3**

22 **Bradley Lambert:** At this time we are calling docket item number three. A petition from CNX
23 Gas Company, LLC, for the disbursement of escrowed funds to Harrison-Wyatt, LLC and Ralph
24 Reedy attributable to tract five and eight, in Unit T16. Docket Number VGOB-94-1024-0476-
25 03. All parties wishing to testify, please come forward.

26 **Mark Swartz:** Mark Swartz and Anita Duty.

27 **Bradley Lambert:** Good morning Mr. Swartz.

28 **Mark Swartz:** Good morning.

29 **Sharon Pigeon:** And Miss Duty.

30 **Bradley Lambert:** And Miss Duty. You need to be sworn in please.

1 **Diane Davis**: Do you swear and affirm that the testimony that you are about to give is the truth
2 the whole truth and nothing but the truth?

3 **Anita Duty**: Yes.

4 **Bradley Lambert**: You may proceed, Mr. Swartz.

5 **Mark Swartz**: Thank you. Anita would you state your name for us please?

6 **Anita Duty**: Anita Duty.

7 **Mark Swartz**: Who do you work for?

8 **Anita Duty**: CNX Land Resources.

9 **Mark Swartz**: And with regard to this particular petition, what duties do you have that would
10 pertain to disbursements from escrow?

11 **Anita Duty**: I prepare the petition, review the agreement and file the petition for disbursement.

12 **Mark Swartz**: Okay and did you supervise the preparation of this petition and in fact sign it?

13 **Anita Duty**: I did.

14 **Mark Swartz**: What did you do to notify folks that we are going to have a hearing with regard
15 to this issue today?

16 **Anita Duty**: Mailed by return receipt requested.

17 **Mark Swartz**: Okay. And this particular application docket number three pertains to what unit?

18 **Anita Duty**: T16.

19 **Mark Swartz**: And what tracts in that unit?

20 **Anita Duty**: A portion of tract five and eight.

21 **Mark Swartz**: Okay. And it's also a portion of eight, correct?

22 **Anita Duty**: Yes.

23 **Mark Swartz**: And if the Board were to approve the disbursement request in this instance,
24 would it still be necessary to maintain an escrow account with regard to unit T16?

25 **Anita Duty**: It would.

26 **Mark Swartz**: Okay so this will not clear out the account?

27 **Anita Duty**: It will not.

1 **Mark Swartz**: Okay. Ah...the reason for the request for the disbursement is what?

2 **Anita Duty**: A CBM deed between the parties.

3 **Mark Swartz**: Okay. Ah...and the parties to that CBM deed are Harrison-Wyatt, LLC, and

4 Ralph Reedy.

5 **Anita Duty**: Yes.

6 **Mark Swartz**: And those two parties will be the folks receiving the proposed disbursement

7 from these two tracts?

8 **Anita Duty**: Yes.

9 **Mark Swartz**: Ah...and did you provide the Board with an accounting that listed the operator's

10 deposits and the bank's...I'm sorry...that listed the operator's payments into escrow and listed

11 the bank's records with regard to their deposits received?

12 **Anita Duty**: I did.

13 **Mark Swartz**: Okay. And have you provided the Board with that reconciliation as a

14 spreadsheet as part of this application?

15 **Anita Duty**: Yes.

16 **Mark Swartz**: And at the end of that, there is sort of a recap of the total that went in and

17 compares that to the total on deposit with the bank, correct?

18 **Anita Duty**: Yes.

19 **Mark Swartz**: Okay. And that...um...how does that compare?

20 **Anita Duty**: Um...we do have a difference of \$434.94.

21 **Mark Swartz**: And the bank actually has that much more than you deposited?

22 **Anita Duty**: Yes.

23 **Mark Swartz**: Okay. And when you when you compared your payments to the deposits were

24 you able to account for or confirm that the bank received all of the checks you issued?

25 **Anita Duty**: Yes we did.

26 **Mark Swartz**: Okay. And and what accounts for the difference would be the bank's fees and the

27 bank's interest, correct?

28 **Anita Duty**: Yes.

1 **Mark Swartz**: Ah...have you prepared a...ah...disbursement...ah...summary for the Board and
2 the Board's escrow agent to use in making these disbursements?

3 **Anita Duty**: We have.

4 **Mark Swartz**: And...ah...that is....ah....a table toward the end of the application, correct?

5 **Anita Duty**: Yes.

6 **Mark Swartz**: And it indicates at the bottom, the wells that are contributing to this account?

7 **Anita Duty**: Yes. Um...T16-29 and T-16A.

8 **Mark Swartz**: Okay. And this...ah...this...these these frack wells ceased money ceased going
9 into escrow at the point that the Beatrice mine was, no it's not Beatrice?

10 **Anita Duty**: It is but the Beatrice is different.

11 **Mark Swartz**: Okay.

12 **Anita Duty**: It still remains in the individual account.

13 **Mark Swartz**: Oh..okay...okay. And the....

14 **Sharon Pigeon**: I don't understand what you just did there. So they are not receiving money
15 now or they are receiving money now?

16 **Anita Duty**: The individual accounts?

17 **Sharon Pigeon**: Yes.

18 **Anita Duty**: Yes. There is no separate Beatrice account.

19 **Sharon Pigeon**: So these are still receiving?

20 **Anita Duty**: They are.

21 **Sharon Pigeon**: Okay.

22 **Mark Swartz**: But they are within the Beatrice area.

23 **Anita Duty**: Yes they are.

24 **Mark Swartz**: Okay. And with regard to the disbursement instructions to the escrow agent with
25 regard to these two tracts, specifically tract five and tract eight. What is it that if the Board
26 approves this request they should tell the escrow agent to do?

1 **Anita Duty**: For tract five Ralph Reedy and Harrison-Wyatt should each receive 3.013%, and
2 for tract eight each should receive 0.0017% each.

3 **Mark Swartz**: Okay. And the escrow agent should use those percentages at the time the
4 disbursements are made?

5 **Anita Duty**: Yes.

6 **Mark Swartz**: And should apply those to the balance at the time the disbursements are made?

7 **Anita Duty**: They should.

8 **Mark Swartz**: Okay. And after the disbursements are made or if the Board approves this are
9 you requesting permission to pay Ralph Reedy and Harrison-Wyatt with regards to their interests
10 in these two tracts directly rather than into escrow?

11 **Anita Duty**: Yes.

12 **Mark Swartz**: I believe that is all I have Mr. Chairman.

13 **Bradley Lambert**: Any questions from the Board? Anything further...

14 **Mark Swartz**: No.

15 **Bradley Lambert**: Mr. Swartz. Do I have a motion?

16 **Mary Quillen**: Motion to approve.

17 **William Harris**: I'll second that.

18 **Bradley Lambert**: I have a motion and a second. Any further discussion? All in favor signify
19 by saying yes.

20 **Board**: Yes.

21 **Bradley Lambert**: Opposed no. Thank you Mr. Swartz, that is approved.

22 **Item Number 4**

23 **Bradley Lambert**: We are calling docket item number four. A petition from CNX Gas
24 Company, LLC, for the disbursement of escrow funds from escrow and authorization to pay
25 royalties direct to Swords Creek Land Partnership and Jerry Plaster for Unit FF31 for Tracts 1D,
26 1F, 1G and 1H. This is docket number VGOB-03-0318-1131-01. All parties that wish to testify,
27 please come forward.

28 **Mark Swartz**: Mr. Chairman we've withdrawn that petition.

1 **Bradley Lambert:** Withdraw it?

2 **Mark Swartz:** Yes.

3 **Bradley Lambert:** That petition will be withdrawn.

4 **Item Number 5**

5 **Bradley Lambert:** Calling docket item number five. A petition from CNX Gas Company,
6 LLC, for the disbursement of escrowed funds and authorization to begin paying royalties directly
7 to the parties identified in the attached table for Tracts 3A and 3B, Unit EE-28. Docket number
8 VGOB-00-1017-0829-01. All parties that wish to testify, please come forward.

9 **Mark Swartz:** Mark Swartz and Anita Duty.

10 **Bradley Lambert:** You may proceed Mr. Swartz.

11 **Mark Swartz:** Thank you. Anita will you state your name again?

12 **Anita Duty:** Anita Duty.

13 **Mark Swartz:** I will remind you that you are still under oath.

14 **Anita Duty:** Okay.

15 **Mark Swartz:** With regard to petitions for disbursement of escrow funds, what in general are
16 your duties?

17 **Anita Duty:** I'm to review the petition and the agreement.

18 **Mark Swartz:** In fact you signed this petition, correct?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** Okay. This petition for a disbursement from escrow docket item number five
21 pertains to what unit?

22 **Anita Duty:** EE28.

23 **Mark Swartz:** And what tracts in that unit?

24 **Anita Duty:** A portion of 3A and a portion of 3B.

25 **Mark Swartz:** And the...ah...if the disbursement is approved will it zero out the escrow
26 account or will the escrow account continue to be maintained?

27 **Anita Duty:** Continued.

1 **Mark Swartz**: What is the reason for the request?

2 **Anita Duty**: Royalty split agreement.

3 **Mark Swartz**: And with regard to this request, have you provided the Board with revised

4 Exhibits E and EE?

5 **Anita Duty**: Yes.

6 **Mark Swartz**: That would pertain in the event that the disbursement is approved?

7 **Anita Duty**: Yes.

8 **Mark Swartz**: Okay. Have you also provided the Board with a worksheet or spreadsheet that

9 compares the operator's deposits over time...strike that...the operator's royalty checks issued to

10 the escrow agent overtime to the deposits logged in by the escrow agent?

11 **Anita Duty**: Yes.

12 **Mark Swartz**: And when you made the comparison, were you able to account for all royalty

13 checks that were sent to the escrow agent as having been deposited in the escrow account.

14 **Anita Duty**: We were.

15 **Mark Swartz**: Okay. So all...they've got all of the...you were able to document that they got

16 all of the royalty checks that were sent to the various banks?

17 **Anita Duty**: Yes.

18 **Mark Swartz**: And then obviously there were interests...ah...interest was added and costs were

19 deducted by the banks.

20 **Anita Duty**: Yes.

21 **Mark Swartz**: And when you got to the end of the day and you compared the...ah...your

22 records to the bank's records what was the difference.

23 **Anita Duty**: \$8.74.

24 **Mark Swartz**: Okay and obviously since they got all of your deposits that \$8.74 must pertain to

25 interest and fees from the banks.

26 **Anita Duty**: Yes.

27 **Mark Swartz**: Okay. You also prepared a fairly extensive spreadsheet with regard to

28 instructions for the escrow agent to follow at the time of the disbursements are made.

1 **Anita Duty:** Yes.

2 **Mark Swartz:** And there is a three page chart that lists the coal owners and the oil and gas
3 owners that are to receive disbursements, correct?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** And rather than reading it looks like at least eighty some folks into the record.
6 Would your testimony be that the escrow agent should use the percent of escrowed funds column
7 which is the second column from the right hand side which lists a percentage for each person
8 receiving a disbursement to calculate the disbursements?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** And for example, with regard to Coal Mountain what is the percentage that the
11 escrow agent should use?

12 **Anita Duty:** For 3B?

13 **Mark Swartz:** Yes for 3B.

14 **Anita Duty:** And I miss spoke earlier. I said it was a portion of 3B but it's the entire tract 3B.

15 **Mark Swartz:** Okay.

16 **Anita Duty:** A portion of 3A.

17 **Mark Swartz:** Okay. So for 3B what should the escrow agent do?

18 **Anita Duty:** They should pay 30.2923% to both Coal Mountain Mining and New Garden Coal
19 Corporation.

20 **Mark Swartz:** Okay.

21 **Anita Duty:** For Tract 3B.

22 **Mark Swartz:** And then with regard to 3A which is a partial disbursement, right?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** There are eighty-one people receiving money in that tract if the disbursement is
25 approved?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** And just to give some examples Coal Mountain should receive what percentage
28 of the balance?

1 **Anita Duty**: A total of 18.7323%.

2 **Mark Swartz**: Let's go to person eleven Nancy Rose, what percentage should the escrow agent
3 use to make her for example, to make her disbursement?

4 **Anita Duty**: 0.0684%.

5 **Mark Swartz**: Okay and in all instances you are reading from the column entitled, "Percent of
6 Escrowed Funds Disbursed," which is the second column from the far right?

7 **Anita Duty**: Yes.

8 **Sharon Pigeon**: Could you repeat Nancy Rose there?

9 **Anita Duty**: 0.0684%.

10 **Sharon Pigeon**: Okay thank you.

11 **Mark Swartz**: And this...at the bottom of this three page break out of percentages for the
12 escrow agent to use, do you identify the wells that have been contributing to this account?

13 **Anita Duty**: Yes.

14 **Mark Swartz**: And they are?

15 **Anita Duty**: EE28 and EE28A.

16 **Mark Swartz**: And if the Board approves this disbursement are you also requesting that you be
17 allowed to pay the people that have entered into this split agreement directly rather than continue
18 paying their funds into escrow?

19 **Anita Duty**: Yes.

20 **Mark Swartz**: That's all I have Mr. Chairman.

21 **Sharon Pigeon**: Do you have individual royalty split agreements for each of these eighty-one
22 people?

23 **Anita Duty**: We do.

24 **Sharon Pigeon**: Has the division received a copy of that?

25 **Anita Duty**: No.

26 **Sharon Pigeon**: You probably want that in your files don't you?

27 [Inaudible]

1 **Bradley Lambert**: You've seen those haven't you?

2 **Anita Duty**: Yes. This just happens to be a unit, we've come before the Board for this same
3 group of people. This just happens to be a unit where no one had been paid out yet and so now
4 we just have like all of them at one time.

5 **Bradley Lambert**: I'm not sure why you wouldn't read all eighty-one of those for us but that is
6 okay.

7 [Laughter]

8 **Bradley Lambert**: We will accept your testimony. Ms. Duty, did you testify, if you did I
9 apologize, when the date that you reconciled this account?

10 **Anita Duty**: No. It would have been the last deposit we had available to us at the time would
11 have been January 31, 2013....because we filed this a few months ago. I mean this has been
12 continued.

13 **Bradley Lambert**: Right I understand. Are there any other questions from the Board?

14 **Rick Cooper**: I have one question Mr. Chairman if we could.

15 **Bradley Lambert**: Yes Mr. Cooper.

16 **Rick Cooper**: I guess you said you revised E and EE, do you know what the revised date on
17 those documents was? We just want to make sure we have the current version.

18 **Anita Duty**: The Exhibit E was revised on March 22nd, and the EE was revised on March 18th.

19 **Rick Cooper**: Okay, we're good.

20 **Sharon Pigeon**: Of 2012?

21 **Anita Duty**: Yes.

22 **Sharon Pigeon**: Well....the 22nd is 2012, the 18th is 2013.

23 **Anita Duty**: Correct.

24 [Inaudible]

25 **Rick Cooper**: Pardon me?

26 **Anita Duty**: The Exhibit E says 2012, but that's what our dates says 3/22/12, for the Exhibit E.
27 For Exhibit EE 3/18/2013.

1 **Sharon Pigeon**: So you're thinking that maybe that 12 should be a 13 but it is the same exhibit
2 that you are relying on.

3 **Anita Duty**: It is the same thing, right.

4 **Rick Cooper**: That's what we were wondering.

5 **Anita Duty**: Sorry.

6 **Sharon Pigeon**: Okay I think we've got it now.

7 **Bradley Lambert**: Mr. Cooper are those the exhibits that the Board has in our package?

8 **Rick Cooper**: Yes

9 **Bradley Lambert**: Okay thank you. Any other questions from the Board? Anything further
10 Mr. Swartz?

11 **Mark Swartz**: No.

12 **Bradley Lambert**: Do I have a motion?

13 **Mary Quillen**: Motion to approve.

14 **William Harris**: Second.

15 **Bradley Lambert**: I have a motion and a second. Is there any further discussion? All in favor
16 signify by saying yes.

17 **Board**: Yes.

18 **Bradley Lambert**: All opposed, no. For the record, you have one person listed in your exhibit
19 that is Anna Ruth Lambert. That's no relation to the Chairman of the Board.

20 **Sharon Pigeon**: I was wondering about that.

21 **Bradley Lambert**: Thank you Mr. Swartz that one is approved.

22

23 **Item Number 6**

24 **Bradley Lambert**: We are calling docket item number six. A petition from CNX Gas
25 Company, LLC, for the disbursement of escrowed funds on deposit from Harrison-Wyatt, LLC,
26 and Delmar Kyle Meadows, attributable to Tract 2B for Unit X10. This is docket number
27 VGOB-90-0905-0014-02. All parties wishing to testify, please come forward.

28 **Mark Swartz**: Mark Swartz and Anita Duty.

1 **Bradley Lambert**: You may proceed Mr. Swartz.

2 **Mark Swartz**: Thank you. Anita I am going to remind you that you are under oath. Okay.

3 **Anita Duty**: Okay.

4 **Mark Swartz**: Will you state your name?

5 **Anita Duty**: Anita Duty.

6 **Mark Swartz**: Did you either prepare or supervise the preparation of this Petition?

7 **Anita Duty**: Yes.

8 **Mark Swartz**: And did you sign it?

9 **Anita Duty**: Yes.

10 **Mark Swartz**: What did you do to notify people that we were going to have a hearing today?

11 **Anita Duty**: Mailed by return receipt...certified mail.

12 **Mark Swartz**: Okay. Return receipt requested?

13 **Anita Duty**: Yes.

14 **Mark Swartz**: Okay. And this disbursement request pertains to what unit?

15 **Anita Duty**: X10.

16 **Mark Swartz**: And what tract?

17 **Anita Duty**: 2B.

18 **Mark Swartz**: The reason for the request is what?

19 **Anita Duty**: A royalty split agreement.

20 **Mark Swartz**: Okay. And that split agreement was between?

21 **Anita Duty**: Harrison-Wyatt and Delmar Meadows.

22 **Mark Swartz**: And did you undertake to a comparison of the royalty checks that were issued

23 and the deposits that were made over time?

24 **Anita Duty**: Yes.

25 **Mark Swartz**: And when you did that were you able to determine that the banks received all of

26 the royalty checks?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** And when you compare the balance at the end of the day in this account, which I
3 am thinking was through a deposit. The last deposit was April 30, 2013, correct?

4 **Anita Duty:** It is.

5 **Mark Swartz:** You determined that the difference between the total of the checks that were
6 deposited accounting for prior disbursements and also accounting for the bank fees and bank
7 interests, the difference was what amount?

8 **Anita Duty:** \$737.44.

9 **Mark Swartz:** And in this instance the bank actually has a greater amount than the total of the
10 deposits by what you have just named.

11 **Anita Duty:** They do.

12 **Mark Swartz:** Okay. If the Board approves this disbursement are we going to continue to need
13 to maintain an escrow account for unit X10?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** Because this is just a partial?

16 **Anita Duty:** It is.

17 **Mark Swartz:** Okay. Have you provided the Board with a table that shows what the escrow
18 agent the numbers that the escrow agent should use in making the disbursement?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** And again, we've got a column entitled "Percent of escrowed funds disbursed,"
21 correct?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** And who should receive disbursements and what percentage should the escrow
24 agent use to apply to the balance then on hand?

25 **Anita Duty:** Harrison-Wyatt, LLC, and Delmar Kyle Meadows should each receive 18.9912%
26 of the escrow account.

27 **Mark Swartz:** And does the table showing the instructions in terms of percentages for the
28 escrow agent also indicate the wells that have been contributing to this escrow account?

29 **Anita Duty:** Yes. It's X10 and X10A.

1 **Mark Swartz**: If this application is approved are you also asking the Board to allow you to pay
2 these two folks directly rather than escrowing their funds in the future?

3 **Anita Duty**: This unit is actually being paid under the VP8SGU3.

4 **Mark Swartz**: Okay.

5 **Anita Duty**: So we won't pay anything else out of this account.

6 **Mark Swartz**: On this particular unit?

7 **Anita Duty**: Correct.

8 **Mark Swartz**: Okay. That's all I have Mr. Chairman.

9 **Bradley Lambert**: Any questions from the Board?

10 **Sharon Pigeon**: But these folks will get their money directly, it won't be paid over [Inaudible]
11 unit, right?

12 **Anita Duty**: Correct. They are already on pay under that sealed gob. We just needed to go
13 back and get the underlying unit.

14 **Sharon Pigeon**: They are on pay for the new unit, this is for the old unit?

15 **Anita Duty**: They are.

16 **Sharon Pigeon**: Okay.

17 **Anita Duty**: Yes.

18 **Bradley Lambert**: Anything further Mr. Swartz?

19 **Mark Swartz**: No.

20 **Bradley Lambert**: Again Ms. Duty if you testified, I apologize, but the date of the
21 reconciliation?

22 **Anita Duty**: April 30, 2013.

23 **Bradley Lambert**: Okay. And Mr. Cooper and Ms. Davis just for convenience when these are
24 scanned in can we turn them around for us? They are hard to read upside down.

25 [Laughter]

26 **Diane Davis**: We are working on that. We have to get them to turn them. Because once they
27 come in, I can't turn them. Sorry. I did try but I couldn't. [Inaudible]

1 **Rick Cooper**: So in the future what we need to do is just reject them and let them re-scan them
2 in. That is what we will do.

3 **Bradley Lambert**: Let's not reject them.

4 **Mark Swartz**: The problem is can you accept a wide format spreadsheet. I think that may be
5 the problem. I don't know.

6 **Rick Cooper**: I'm not sure what the size limit is but that is the normal process. When it comes
7 in, we have done this several times in the past if they scan them in with two or three different
8 directions the process is to reject them back and then re-scan them.

9 **Bradley Lambert**: Okay. Well if that's the issue of large format, let's not reject them and just
10 try to work on them. Because it's not that big of a deal, it's just hard to stand on our head and try
11 to read these things.

12 [Laughter]

13 [Inaudible]

14 **Mark Swartz**: That's what I'm worried about. If we put them in as a portrait instead of a
15 landscape they are going to be so small that you can't read them.

16 **Bradley Lambert**: Yeah I was going to say, don't get them any smaller. Anyway, we will work
17 on that one. Still just another bug we are trying to work through with iPads. Anything further
18 Mr. Swartz?

19 **Mark Swartz**: No.

20 **Bradley Lambert**: Do I have a motion?

21 **Mary Quillen**: Motion to approve.

22 **William Harris**: Second.

23 **Bradley Lambert**: I have a motion and a second. Any further discussion? All in favor signify
24 by saying yes.

25 **Board**: Yes.

26 **Bradley Lambert**: Opposed no. Thank you Mr. Swartz that is approved.

27

28

29

Item Number 7

Bradley Lambert: We are calling docket item number seven. A petition from CNX Gas Company, LLC, for the disbursement of funds from escrow attributable to a portion of Tracts 2A and 2C and authorization to begin paying royalties directly to Harrison-Wyatt, LLC, and Barbara G. Price, Betty Johnson McClanahan, Ruby Pauline Arms Jenkins, John Dorsie Arms, and Mary Kathryn Webb, for Unit AA9. Docket number VGOB-91-0430-0116-07. All parties wishing to testify, please come forward.

Mark Swartz: Mark Swartz and Anita Duty.

Bradley Lambert: You may proceed Mr. Swartz.

Mark Swartz: Thank you. Anita I am going to remind you that you are still under oath. Okay?

Anita Duty: Okay.

Mark Swartz: Your name please?

Anita Duty: Anita Duty.

Mark Swartz: And your job responsibilities include the preparation of petitions for disbursements?

Anita Duty: Yes.

Mark Swartz: And were you responsible for this petition?

Anita Duty: Yes.

Mark Swartz: And did you in fact sign it?

Anita Duty: I did.

Mark Swartz: What did you do to notify people we were going to have a hearing today?

Anita Duty: Mailed certified mail return receipt requested.

Mark Swartz: Okay. And the reason for this request is what?

Anita Duty: For a disbursement for a portion of tract 2A and 2C.

Mark Swartz: Okay. And what happened that caused you to ask for a disbursement?

Anita Duty: Royalty split between Harrison-Wyatt and several parties.

Mark Swartz: Okay. And is that a 50/50 split agreement?

1 **Anita Duty:** It is.

2 **Mark Swartz:** And in the paperwork you provided to the Board and the directions for the
3 escrow agent have you in fact used 50/50 as the basis?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Okay. And this I think you said is for a portion of two tracts, right?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** 2A and 2C?

8 **Anita Duty:** Yes.

9 **Mark Swartz:** And that would mean, I think that the then that the escrow agent would be
10 required to maintain other funds in the escrow account into the future for further disbursements
11 for other people.

12 **Anita Duty:** It would.

13 **Mark Swartz:** Okay. Have you done a comparison of the royalty payments that the operator
14 has made to the various escrow agents and a comparison of those royalty payments with the
15 deposits book by the escrow agents?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** And when you made the comparison were you able to account or able to
18 determine that the escrow agents had actually received and deposited all of the royalty checks?

19 **Anita Duty:** Yes we were.

20 **Mark Swartz:** And then were you also able to at least account for the impact of the escrow
21 agents applying interest to the account and applying deductions for fees and costs to the account?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** And when you compared the deposits booked and the fees and costs and interest
24 to the royalty checks issued, I assume there was some difference.

25 **Anita Duty:** \$501.36.

26 **Mark Swartz:** Okay and again was this an instance where the escrow account has actually that
27 amount of money more than you paid in?

28 **Anita Duty:** They do.

1 **Mark Swartz**: Okay. And what was the last, the date of the last deposit that you consider when
2 you made the comparison?

3 **Anita Duty**: December 31, 2012.

4 **Mark Swartz**: And have you prepared a worksheet for the Board and the escrow agent to use in
5 making the disbursement?

6 **Anita Duty**: Yes.

7 **Mark Swartz**: Again, we have a percent of escrowed funds disbursed column?

8 **Anita Duty**: Yes.

9 **Mark Swartz**: And with regard to Tract A who is to receive the disbursements and what
10 percentage should the escrow agent apply to the balance on hand when the disbursement is
11 made?

12 **Anita Duty**: Harrison-Wyatt, LLC, and Barbara Price should each receive 5.2962%.

13 **Mark Swartz**: And with regard to Tract 2C what percentage, who should receive the
14 disbursement and what percentages should the escrow agent use to apply to the balance on
15 deposit at the time the disbursement is made?

16 **Anita Duty**: For some reason when we put this into the system, it didn't total Harrison-Wyatt's
17 interest, so it is going to be listed individually.

18 **Mark Swartz**: Okay.

19 **Anita Duty**: But for Harrison-Wyatt, Betty Lou Johnson and Mary Kathryn Johnson Webb, they
20 should each receive 0.1009% and Harrison-Wyatt would receive two of those...interests.

21 **Mark Swartz**: Okay.

22 **Anita Duty**: And the same thing for Harrison-Wyatt, John Dorsie Arms, and Ruby Pauline
23 Jenkins, should each receive 1.1776% with Harrison-Wyatt receiving two of
24 those...percentages.

25 **Mark Swartz**: And does your worksheet indicate the well or wells from which the royalties
26 pertain?

27 **Anita Duty**: Well AA9.

28 **Mark Swartz**: And are you also requesting that the Board allow you to pay these people
29 directly in the future rather than escrowing their royalty interests?

30 **Anita Duty**: Yes.

1 **Mark Swartz**: That's all I have.
2 **Bradley Lambert**: Any questions from the Board? Anything further Mr. Swartz?
3 **Mark Swartz**: No.
4 **Bradley Lambert**: Do I have a motion?
5 **Mary Quillen**: Motion to approve.
6 **William Harris**: Second that.
7 **Bradley Lambert**: I've got a motion and a second. Any further discussion? All in favor
8 signify by saying yes.
9 **Board**: Yes.
10 **Bradley Lambert**: Opposed no. Thank you Mr. Swartz that is approved.
11
12

Item Number 12

13 **Bradley Lambert**: We are calling docket item number twelve. A petition from CNX Gas
14 Company, LLC, for pooling under Oakwood Coalbed Methane Gas Field I for Unit A33. Docket
15 number VGOB-13-0618-4014. All parties wishing to testify, please come forward.
16 **Mark Swartz**: Mark Swartz and Anita Duty.
17 **Bradley Lambert**: You may proceed Mr. Swartz.
18 **Mark Swartz**: Thank you. Anita state your name for us again.
19 **Anita Duty**: Anita Duty.
20 **Mark Swartz**: Who do you work for?
21 **Anita Duty**: CNX Land Resources.
22 **Mark Swartz**: And this is an application for a pooling order, correct?
23 **Anita Duty**: It is.
24 **Mark Swartz**: And did you either prepare or supervise the preparation of the Application, the
25 related exhibits and the Notice.
26 **Anita Duty**: I did.
27 **Mark Swartz**: And did you sign both the Application and the Notice?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** And this pooling application pertains to what unit?

3 **Anita Duty:** A33.

4 **Mark Swartz:** Is that an Oakwood unit?

5 **Anita Duty:** It is.

6 **Mark Swartz:** And it's an eighty acre unit if I recall correctly?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** And this Application seeks to...ah...seeks approval to locate one coalbed
9 methane well in that unit?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** And it is not inside the window?

12 **Anita Duty:** It is not.

13 **Mark Swartz:** It's in the northwest corner of the unit?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** And the reason for that location is what?

16 **Anita Duty:** Active mining by Jewell Smokeless.

17 **Mark Swartz:** Did you bring a map with you that I think the Board could actually see from a
18 distance to sort of indicate the problem?

19 **Anita Duty:** Yes.

20 [Map is being shown to the Board]

21 **Mark Swartz:** Actually you could hold that up probably. The pink area is mining in the unit,
22 right?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** And the black dot is the proposed well location?

25 **Anita Duty:** It is.

26 **Mark Swartz:** And just from looking at that you can see that there isn't, there aren't a lot of
27 choices in this unit as to where you could locate that well and that's what is driving the location.

1 **Anita Duty**: Yes, exactly.

2 **Mark Swartz**: And if you could tear that sheet off and give it to Mr. Cooper so that he can have
3 it as an Exhibit in the record, that would be great. You think you have it? Okay. He's good to
4 go. Okay.

5 **Sharon Pigeon**: Could I have it?

6 **Mark Swartz**: Yes.

7 **Sharon Pigeon**: I will mark it Exhibit AA as a handout. Thank you.

8 **Bradley Lambert**: Mr. Cooper do you have that as part of your....

9 **Rick Cooper**: It is, it's in the Order. It is toward the end of the Order [In audible] last page. I
10 mean the Petition. I'm sorry.

11 **Bradley Lambert**: We've got it. Thank you.

12 **Mark Swartz**: The..ah...this well as long as we are on the well before you move to another
13 topic. It's proposed to be a frack well?

14 **Anita Duty**: Yes.

15 **Mark Swartz**: And have you provided a cost estimate to the Board?

16 **Anita Duty**: Yes.

17 **Mark Swartz**: And that, the details of that cost estimate are also in your Petition, correct?

18 **Anita Duty**: It is.

19 **Mark Swartz**: But what is the total projected cost of the well including fracture and simulation?

20 **Anita Duty**: \$289,435.

21 **Mark Swartz**: And you already have a permit for that well?

22 **Anita Duty**: We do. It's 12556.

23 **Mark Swartz**: Okay. Has it been drilled, do you know?

24 **Anita Duty**: It has been drilled and it was just recently.

25 **Mark Swartz**: You have listed respondents in your Notice, correct?

26 **Anita Duty**: Yes.

27 **Mark Swartz**: And also in your Exhibit B3 I believe?

1 **Anita Duty**: Yes.

2 **Mark Swartz**: Do you want to add any folks as respondents today?

3 **Anita Duty**: No.

4 **Mark Swartz**: Do you want to dismiss any?

5 **Anita Duty**: No.

6 **Mark Swartz**: What did you do to notify the respondents and others that we were going to have
7 a hearing with regard to this unit?

8 **Anita Duty**: Mailed by certified mail return receipt requested on May 17, 2013, and published
9 the notice and location map in the Bluefield Daily Telegraph on May 22, 2013.

10 **Mark Swartz**: I assume that you have previously provided both the certificates with regard to
11 mailing the proof of publication to the Director's office.

12 **Anita Duty**: We have to submit those now.

13 **Mark Swartz**: You have to file those in advance.

14 **Anita Duty**: Right.

15 **Mark Swartz**: And you've done that?

16 **Anita Duty**: We did.

17 **Mark Swartz**: Otherwise we would not be here probably.

18 **Anita Duty**: Probably not.

19 **Mark Swartz**: Okay. The....we've seen the Roger's for although I think there are some other
20 folks here as well. Just in a summary sort of fashion, what's the issue that causes us to see the
21 Roger's family pretty often? There's an outstanding....

22 **Anita Duty**: There's an outstanding quarter interest with the cousins.

23 **Mark Swartz**: With the cousins, okay. And if we look at the Exhibit E, we will quickly see that
24 because you refer to that.

25 **Anita Duty**: Yes.

26 **Mark Swartz**: Okay. With the regard to the applicant here, who is the applicant?

27 **Anita Duty**: CNX Gas Company.

1 **Mark Swartz**: Okay. And in that regard is CNX Gas Company, LLC, a Virginia Limited
2 Liability Company?

3 **Anita Duty**: It is.

4 **Mark Swartz**: Is it registered with the DMME?

5 **Anita Duty**: Yes.

6 **Mark Swartz**: Is it authorized to do business in the Commonwealth?

7 **Anita Duty**: It is.

8 **Mark Swartz**: And does it have a blanket bond on it?

9 **Anita Duty**: Yes.

10 **Mark Swartz**: Okay. When...when...when...if we look at the title information or ownership
11 information which you have filed with the Board and the various exhibits including Exhibit B3,
12 what is the outstanding interest that this Application seeks to pool in percentages?

13 **Anita Duty**: We are seeking to pool 5.4273% of the coal interest and 55.7804% of the oil and
14 gas interest.

15 **Mark Swartz**: And the rest of the percentages roughly 94% of the coal and roughly 45% of the
16 oil and gas, you have acquired interests in, correct?

17 **Anita Duty**: Yes.

18 **Mark Swartz**: And it is unnecessary to pool?

19 **Anita Duty**: Correct.

20 **Mark Swartz**: Okay. Is there escrow going to be required with regard to this unit?

21 **Anita Duty**: Yes for tracts 1, 2, 4, 5, 6 and 7.

22 **Mark Swartz**: And you have provided the Board with an Exhibit E in that regard?

23 **Anita Duty**: Yes.

24 **Mark Swartz**: You have not provided an Exhibit EE, correct?

25 **Anita Duty**: No.

26 **Mark Swartz**: And that would indicate at least as of this moment there are no split agreements
27 that you are aware of.

1 **Anita Duty**: Correct.

2 **Mark Swartz**: With regard to escrow are there several reasons for the Exhibit E escrow
3 request?

4 **Anita Duty**: Tract four has an additional unknown.

5 **Mark Swartz**: Okay so there's the traditional conflict between oil and gas but there's also some
6 unknowns or unlocatables in tract four?

7 **Anita Duty**: Yes.

8 **Mark Swartz**: Okay. And what lease terms is CNX offering in this area and what lease terms
9 have you offered to folks that you have been able to reach agreements with?

10 **Anita Duty**: \$5 per acre per year with a five year paid up term and a 1/8 royalty.

11 **Mark Swartz**: And would you recommend those terms to the Board for people who might be
12 deemed to be leased?

13 **Anita Duty**: Yes.

14 **Mark Swartz**: Is it your opinion that pooling this unit and the respondents that you have named
15 and combining a pooling order with the agreements that you have reached with the other folks in
16 the unit that those two things will in fact protect the correlative rights of all owners and claimants
17 in the unit?

18 **Anita Duty**: Yes.

19 **Mark Swartz**: And is it your further opinion that drilling a frack well in the location shown on
20 the plat is a reasonable under all of the circumstances here present to develop the coalbed
21 methane from within under this unit?

22 **Anita Duty**: Yes.

23 **Mark Swartz**: That's all I have Mr. Chairman.

24 **Bradley Lambert**: Any questions from the Board? I have one question. Ms. Duty you may
25 have on a paper copy but if there's a date of certification on your plat/map we can't see it on our
26 electronic copy.

27 [Inaudible]

28 **Mark Swartz**: It's cut off at the bottom. If you see it the very bottom line....

1 **Anita Duty**: These are digitally signed now we have the way we have to do within the system I
2 guess because of I guess permitting has always done it this way and now we're trying to get to
3 doing that the same way. So it's like a digital signature.

4 **Rick Cooper**: So what we've got here this is a pooling application and so this permit has been
5 submitted to us. The location that they show in there is not a spacing exception, it is one that can
6 be approved by the Director and you know this well has already been drilled. It was drilled
7 about a month ago. So this is, the plat out of the original application has a digital signature on it.
8 So it is correct. It came right out of the permit.

9 **Sharon Pigeon**: Can you give us the date?

10 **Mark Swartz**: This document if we had the whole thing would answer your question Mr.
11 Chairman. You know part of the digital data is cut off. You can see that there is more it's not
12 the greatest copy but there is more to that blue information in the lower right hand corner that has
13 been cut off and what Anita I think you need to agree with me or disagree is saying that the
14 digital signature which would give you a date Mr. Chairman, is on the document but it's not on
15 this version of it.

16 **Bradley Lambert**: I think Mr. Cooper's testimony is sufficient that it is already been approved
17 but it's a copy out of the permit files.

18 **Rick Cooper**: It is and it is a digital signature and we can give you that date if you hang on.

19 **Mark Swartz**: The problem is there...there...Anita tells me that there is a...they actually re-do
20 these maps for the pooling applications too. So it's not necessarily the same.

21 **Anita Duty**: It's not the same thing.

22 **Sharon Pigeon**: This says pooling on it.

23 **Anita Duty**: Yeah this didn't come out of the permit package now. But it's the same procedure.

24 **Sharon Pigeon**: How about if you just tell us what you've got there.

25 **Mark Swartz**: We can't tell from her copy either. It printed off the system, you know.

26 **Anita Duty**: Digitally signed it would be a date stamp on the file itself that goes into the DGO
27 system but it's not on our paper.

28 **Rick Cooper**: We do have a date on our system which was 02/04/13. February four thirteen.

29 **Bradley Lambert**: Okay.

30 **Sharon Pigeon**: Alrighty.

1 **William Harris**: Mr. Chairman this of course the Exhibit has a space for the date that is blank.

2 **Mark Swartz**: That is because we digitally sign them.

3 **Anita Duty**: These are digital they are not, I don't have...

4 **William Harris**: There's no way to enter a date there?

5 **Bradley Lambert**: Well they're digital, we've been accepting digital signatures at DMME for a
6 couple of years now and if we had the entire map it would have that date on it but it is cut off
7 right there. That's why I was asking if we knew what the date was.

8 **Mark Swartz**: But apparently you know, we could tell from the file when it was locked in
9 because your data base would show that but we don't have that either.

10 **Bradley Lambert**: Mr. Cooper gave it to us.

11 **Anita Duty**: We don't have somebody internally doing stamping these anymore. I...

12 **Bradley Lambert**: Mr. Cooper has the date for that so I think we are good to go. Any other
13 questions from the Board? Anything further Mr. Swartz?

14 **Sharon Pigeon**: I have a question for them.

15 **Bradley Lambert**: Ms. Pigeon.

16 **Sharon Pigeon**: I know you told us before but on the Roger's heirs where we are only
17 escrowing $\frac{1}{4}$.

18 **Mark Swartz**: Wait...there is only a conflict as to a portion. If you look at page let's find
19 these...

20 **Sharon Pigeon**: Yes I see that.

21 **Anita Duty**: LBR Holdings owns 100% of the coal and $\frac{3}{4}$ of the gas.

22 **Sharon Pigeon**: Okay is that a traditional title conflict. That's all I'm trying to find out?

23 **Anita Duty**: It's out sell on the oil and gas.

24 **Sharon Pigeon**: Okay.

25 **Mark Swartz**: Which creates a title conflict.

26 **Sharon Pigeon**: Okay.

27 **Mark Swartz**: For 25%.

1 **Sharon Pigeon**: I knew we had covered this before but I just don't remember it all. Thank you.

2 **Mark Swartz**: You got it.

3 **Bradley Lambert**: Any other questions from the Board? Anything further Mr. Swartz?

4 **Mark Swartz**: No.

5 **Bradley Lambert**: Do I have a motion?

6 **Mary Quillen**: Motion to approve.

7 **William Harris**: Second.

8 **Bradley Lambert**: I have a motion and a second any further discussion? All in favor signify by
9 saying yes.

10 **Board**: Yes.

11 **Bradley Lambert**: Opposed no. Thank you Mr. Swartz it is approved.

12 **Mark Swartz**: Thank you.

13

14

Update from the Staff

15 **Bradley Lambert**: Okay the next item on our docket is...well we don't have that docket but
16 Mr. Cooper can we get an update from staff or do you have an update?

17 **Rick Cooper**: The only thing I wanted to point out is that we are continuing to scan the
18 historical transcripts and we have all that we know of scanned and that is back historical into the
19 middle 1980's, and we are now cleaning those up. We are actually cropping them and trying to
20 make them readable and we do hope to have all the transcripts that we have our hands on and are
21 aware of, posted on the website by the next Board meeting. So we hope to have that done. And
22 also it came up earlier; we are working on the unfunded and expired orders and working with the
23 operators. We have come up with a list of those and that is a continuing job that all of us do on
24 the side so we will report that out on the next Board Hearing also. And we have found several of
25 those. And other than that I don't have any items do you Sarah or Diane? We hope to have all of
26 that at the next Board Hearing and report all of that out.

27

28

29

Item Number 17

- 1
- 2 **Bradley Lambert:** I guess the next item on the agenda is to approve the May 2013 minutes but
3 we didn't get those. Or I didn't get them.
- 4 **Mary Quillen:** Yes. They are in a different place. You have to go to the minutes to pull those
5 up. I've got them.
- 6 **Bradley Lambert:** Okay.
- 7 [Inaudible]
- 8 **Bradley Lambert:** I just pull them up from that one link that you send us. So they are in a
9 different link?
- 10 **Diane Davis:** Yes. We will work on that. If you just want to continue those.
- 11 [Inaudible]
- 12 **Bradley Lambert:** Ms. Pigeon says she did not get a hard copy.
- 13 **Diane Davis:** She would have to print it off.
- 14 **Sharon Pigeon:** Gloria would have to print it off.
- 15 **Bradley Lambert:** We will continue approval of the May 13 minutes until next month.
16 Anything further from the Board? Do I have a motion to adjourn?
- 17 **Mary Quillen:** Motion to adjourn.
- 18 **William Harris:** Second.
- 19 **Bradley Lambert:** I have a motion and a second. All in favor signify by saying yes.
- 20 **Board:** Yes.
- 21 **Bradley Lambert:** Thank you ladies and gentlemen. We are adjourned.

I, Sarah J. Gilmer, Notary Public for the State of Virginia, do hereby certify that the foregoing hearing was recorded by me on an electronic recording machine and later transcribed by me personally.

Given under my hand and seal on this 22nd day of July, 2013.

NOTARY PUBLIC

My commission expires: July 31, 2017
Notary Registration Number: 262946